

**CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY**  
**Children's Hospital Bond Act of 2004 (Proposition 61)**  
**Issues of Policy Update**  
**April 28, 2005**

At the March 30, 2005 meeting of the California Health Facilities Financing Authority, the Board authorized staff to request approval of the Children's Hospital Bond Act Finance Committee to issue general obligation bonds and to apply for Pooled Money Investment Board (PMIB) interim financing loans. On April 20, 2005, staff received approval by the Children's Hospital Bond Act Finance Committee to issue bonds and to apply for interim funding.

Staff applied for April PMIB funding, but later withdrew the application in an effort to reduce potential interest costs. Although staff has been advised that several hospitals have immediate funding needs, as of April 20, 2005, no applications for the Children's Hospital Program (Program) have been received. Since the earliest date funds can be released after receipt of an application is 60-days, funds received through the Pooled Money Investment Account (PMIA) will not be needed until July, at the earliest.

In early April, CHFFA staff was advised by the Treasurer's Office Accounting Department (Accounting) that interim funding could possibly be obtained directly from the General Fund, in lieu of the PMIA, which may further reduce potential funding interest costs. Staff is currently consulting with the Treasurer's Office Accounting Department and Public Finance Division to assess whether this option is viable.

Staff will continue to pursue the least expensive interim financing available and ensure the funds are secured in a timely manner to meet the needs of hospitals seeking funding through the Program.